

UTILITIES- WASTEWATER & WATER FUNDS

MISSION STATEMENT

The mission of the Norfolk Department of Utilities is to enhance quality of life by providing excellent water and wastewater services at the best possible value for our customers.

DEPARTMENT OVERVIEW

The Department of Utilities is responsible for the operation of two enterprise funds, the Water Fund and the Wastewater Fund. The Department, which is comprised of eight divisions and over 390 employees, is organized as follows:

Water Production: Responsible for providing safe, clean drinking water to City of Norfolk customers by operating and maintaining the Moores Bridges and 37th Street Water Treatment Plants, as well as raw water pumping and transmission systems.

Water Quality: Ensures the provision of high quality, safe clean drinking water through compliance monitoring, testing, analysis, reporting and management of City-owned reservoirs and adjacent watershed properties.

Wastewater: Responsible for the maintenance and repair of wastewater mains and wastewater pumping stations that convey sewage from Norfolk's homes and businesses to the Hampton Roads Sanitation District for sewage treatment.

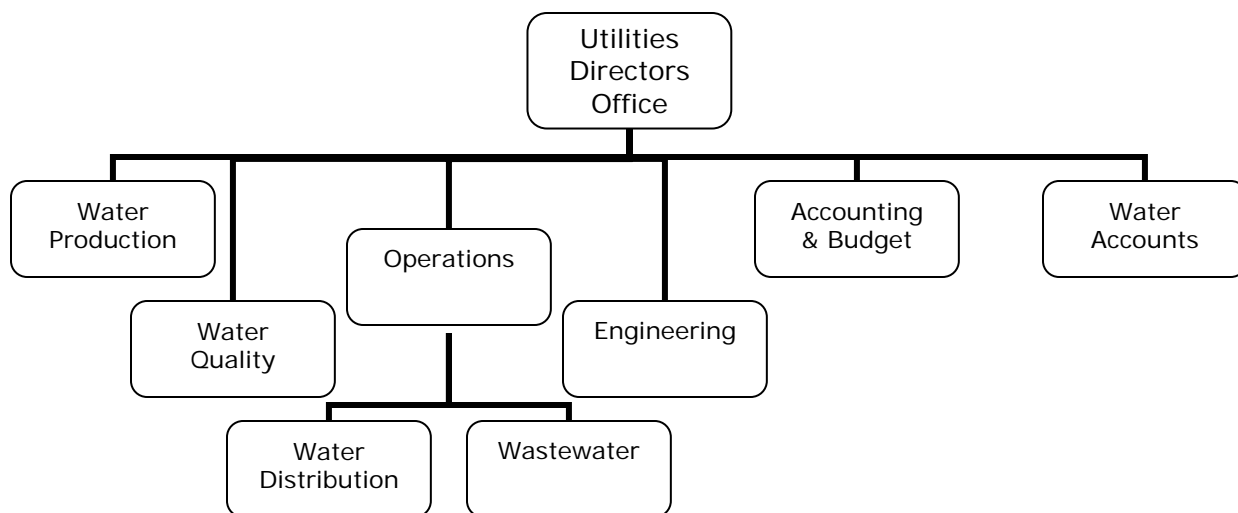
Water Distribution: Responsible for the maintenance and repair of the water distribution system and fire protection facilities.

Water Accounts: Provides customer services to all users of Norfolk's Utility system including billing, meter reading, and meter maintenance and response to customer service inquiries.

Engineering: Responsible for the management of the Department's capital improvement program and water and sewer installations for developer projects.

Accounting & Budget: Provides technical support, accounting and financial services to the Department

Director's Office: Provides administrative, leadership and management services to the Department. The Director's Office also provides support services such as: Human Resources, Public Relations, Communications and Grants Administration.



BUDGET HIGHLIGHTS

The Water Fund's proposed operating budget for FY 2007 increased \$5,985,600 or 8.1 percent from FY 2006. This increase is necessary to improve the Water Fund's creditworthiness, fund reserves, and fund increases in operating costs such as fuel and electricity. The Wastewater Fund's approved operating budget for FY 2006 increased \$574,500 or 2.6 percent from FY 2006.

The proposed FY 2007 budget for the Wastewater Fund incorporates a \$0.10 per hundred cubic foot rate adjustment (4%); the Water Fund incorporates a \$0.11 per hundred cubic foot rate adjustment (3.5%). These rate adjustments are the third year of a gradual and predictable, multi-year rate plan adopted by City Council in 2003. This rate plan was adopted to support a \$340 million, 10-year capital improvement program to begin addressing the City's failing water and wastewater infrastructure. The FY 2007 budget for Water Fund also incorporates new source of revenue from the sale of 7 million gallons per day (MDG) of raw water to the City of Chesapeake.

The FY 2007 proposed budgets for the Water and Wastewater Funds include funding to support the issuance of bonds to finance \$32.4 million of new capital projects.

KEY GOALS AND OBJECTIVES

- To provide clean, safe, reliable drinking water to the customers of the Norfolk water system.
 - Perform monitoring, analyses, and reporting as required by the Safe Drinking Water Act.
- To provide reliable and efficient transmission of wastewater to HRSD.
 - To comply with the obligations of the DEQ Consent Order

- To maintain the credit quality and financial stability of the funds.
 - Maintain financial indicators and benchmarks.
- To secure grant funding and low interest loans.
 - Monitor sources for availability, apply as applicable
- To provide expanded opportunities for customer service such as web based payments.
- To continue implementation of long-term infrastructure improvement plan
- To begin implementation of automated meter reading.

PRIOR YEAR ACCOMPLISHMENTS

- Met safe drinking water requirements.
- Met requirements of DEQ Consent Order.
- Reduced sanitary sewer overflows.
- Obtained \$14.5 million of low interest rate loan financing from the Virginia Department of Environmental Quality's Wastewater Revolving Loan Fund for wastewater infrastructure improvements.
- Awarded \$40,000 Community Block Development Grant for neighborhood sewer system replacement.
- Purchased surety on Water Revenue Bonds saving \$1.2 million in annual debt service.
- Refunded \$10.2 million in Wastewater General Obligation Bonds saving \$900,000 in annual debt service.
- Completed the following water and wastewater capital projects:
 - Replaced 19,641 feet of water mains and 20,856 feet of sewer mains
 - Western Branch Emergency Generators
 - Mowbray Arch Water Main Installation
 - Rehabilitation of Ocean View Sewer Pump Stations 15 & 16
 - Sewells Garden Sewer Pump Station 48 Force Main Replacement
 - Rehabilitation of Norfolk Industrial Park Sewer Pump Stations 51 & 52
 - Installation of Emergency Generators at Following Sewer Pump Stations:
 - Lamberts Point Pump Station 11
 - West Ghent Pump Station 20
 - Sandy Bay Point Pump Station 41
 - Lake Terrace Pump Station 43
 - Rosemont Pump Station 69

- Norfolk Airport Pump Station 79
- Lansdale Pump Station 85
- Rehabilitation of Elevated Water Storage Tanks
- Completed water and sewer infrastructure renewal in the following neighborhoods:
 - Campostella
 - Fairmount Park
 - Willoughby
- Completed feasibility evaluation to implement automated meter reading in the City of Norfolk

Wastewater Revenue Summary

	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 APPROVED	FY 2007 APPROVED
Interest on Investments	5,781	27,172	39,365	52,520
Fees-Wastewater Maintenance and Taps	18,626,728	21,276,672	22,159,345	22,728,259
Recovered Costs	151,754	93,768	10,648	3,079
Gain on Sale of Assets	10,057	1,021	2,042	2,042
TOTAL	18,794,320	21,398,633	22,211,400	22,785,900

Wastewater Expenditure Summary

	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 APPROVED	FY 2007 APPROVED
Personnel Services	4,237,936	4,371,946	4,546,392	4,840,235
Materials, Supplies and Repairs	2,688,656	2,597,591	2,712,461	3,118,926
General Operations and Fixed Costs	1,056,408	2,329,103	2,306,825	2,487,389
Equipment	807,310	409,814	469,240	938,700
All- Purpose Appropriations	1,515,429	1,510,480	4,274,472	2,127,714
Debt	1,742,920	2,225,171	7,902,010	9,272,936
TOTAL	12,048,659	13,444,105	22,211,400	22,785,900

Wastewater Program & Services

	FY 2005 ACTUAL	FY 2006 APPROVED	FY 2007 APPROVED	POSITIONS
Wastewater Construction & Maintenance	14,739,300	14,309,390	13,512,964	102
Contribute to the quality of life and health of Norfolk residents through the operation, maintenance, and repair of the wastewater collection system.				
Wastewater Fund Debt Service	6,659,333	7,902,010	9,272,936	0
Pay bond principal and interest for bond issues that fund the improvement of wastewater infrastructure.				
TOTAL	21,398,633	22,211,400	22,785,900	102

Wastewater Strategic Priority: Community Building

TACTICAL APPROACH

Accelerate the wastewater capital improvement program in an effort to reduce the number of emergency repair requests.

PROGRAM INITIATIVES	FY 2004	FY 2005	FY 2006	FY 2007	CHANGE
Emergency Repair Requests	10,284	10,473	10,500	10,400	(100)

TACTICAL APPROACH

Foster a healthy and safe environment for residents by minimizing the number of sanitary sewer overflows.

PROGRAM INITIATIVES	FY 2004	FY 2005	FY 2006	FY 2007	Change
Sanitary sewer overflows	36	37	25	23	(2)
Enhanced main line cleaning program (linear feet)	49,831	41,006	300,000	385,000	85,000

Wastewater Position Summary

Position Title	Pay Grade	Minimum	Maximum	FY 2006 Positions	Change	FY 2007 Positions
Accounting Technician	OPS 07	24,871	39,762	3		3
Assistant Superintendent of Utility Division	MAP 12	54,461	87,063	2		2
Crew Leader I	OPS 08	26,885	42,978	15		15
Data Quality Control Manager	OPS 10	31,504	50,362	1		1
Engineering Technician I	OPS 09	29,090	46,508	3		3
Equipment Operator II	OPS 06	23,029	36,814	7		7
Equipment Operator III	OPS 08	26,885	42,978	15	3	18
General Utility Maintenance Supervisor	MAP 08	42,207	67,471	2		2
Maintenance Worker I	OPS 03	18,383	29,392	6	-3	3
Maintenance Worker II	OPS 04	19,799	31,655	25		25
Painter I	OPS 07	24,871	39,762	1		1
Senior Custodian	OPS 05	21,342	34,120	1		1
Senior Utility Maintenance Supervisor	OPS 12	37,053	59,233	4		4
Utility Maintenance Mechanic I	OPS 07	24,871	39,762	6		6
Utility Maintenance Supervisor	OPS 11	34,151	54,598	11		11
TOTAL				102	0	102

Water Revenue Summary

	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 APPROVED	FY 2007 APPROVED
Interest on Investments	901,614	760,197	645,711	698,621
Interest Other	364,789	101,528	79,900	51,182
Water Sales Revenue	61,871,282	65,000,228	69,661,616	75,181,651
Recovered Costs	601,615	1,928,897	1,281,476	2,061,492
Miscellaneous Fees	1,427,778	1,382,207	1,804,149	1,465,634
Gain on Sale	55,545	10,780	3,848	3,720
Retained Earnings	-	-	-	-
TOTAL	65,222,623	69,183,837	73,476,700	79,462,300

Water Expenditure Summary

	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 APPROVED	FY 2007 APPROVED
Personnel Services	12,191,462	13,200,904	14,755,777	15,312,927
Materials, Supplies and Repairs	8,414,454	8,769,837	8,812,238	10,540,818
General Operations and Fixed Costs	10,770,308	9,823,294	10,130,089	10,303,296
Equipment	379,858	-12,575	807,811	843,725
All- Purpose Appropriations	11,693,910	8,760,000	9,359,867	12,850,616
Debt	15,992,618	16,436,093	29,610,918	29,610,918
TOTAL	59,442,610	56,977,553	73,476,700	79,462,300

Water Programs & Services

	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 APPROVED	POSITIONS
UTILITY DIRECTOR'S OFFICE				
Administrative and Leadership Services	10,595,859	11,848,885	14,892,907	9
Provide the best possible quality and value in water supply for the Hampton Roads region, and in water distribution and wastewater conveyance throughout the City of Norfolk.				

Water Programs & Services

	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 APPROVED	POSITIONS
DIVISION OF ACCOUNTING & BUDGETING				
Technical Support and Accounting Services	743,303	699,306	856,855	11
Provide quality financial services to all external and internal customers in a fiscally responsible and cost effective manner.				
DIVISION OF ENGINEERING				
Engineering Services	2,884,614	3,913,891	3,846,274	47
Provide quality service to all customers through the management of CIP and maintenance of the City's water and wastewater infrastructure.				
Division of Water Accounts	2,722,071	3,327,297	3,462,474	39
Accounting, Billing and Collection Services provide excellent customer service to Norfolk water customers in the areas of billing, meter reading, and dissemination of information.				
DIVISION OF WATER DISTRIBUTION				
Distribution System Services	5,359,887	6,049,024	6,213,346	74
Provide seamless water service for Norfolk residents by ensuring the proper operation and maintenance of the water distribution system.				
Water Production Services	17,292,473	17,092,411	19,693,443	97
Provide a reliable and safe water supply to customers by operating and maintaining the water treatment facilities, raw water pumping and transmission facilities, water storage tanks, and distribution pumping facilities.				
DIVISION OF WATER QUALITY				
Water Quality Services	943,253	934,968	886,083	9

Water Programs & Services

	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 APPROVED	POSITIONS
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Provide high quality water that meets or exceeds all state and federal regulations through careful assessment and monitoring of the raw water and treated water and the management of City-owned reservoirs and adjacent watershed properties.

WATER FUND DEBT SERVICE

Debt Service	16,436,093	29,610,918	29,610,918	0
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Pay principal and interest for bond issuances that fund the improvement of water plant facilities and infrastructure.

TOTAL	56,977,553	73,476,700	79,462,300	286
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Water Strategic Priority: Community Building

TACTICAL APPROACH

Provide high quality water that meets all drinking water standards.

PROGRAM INITIATIVES	FY 2004	FY 2005	FY 2006	FY 2007	Change
Pumpage (million gal/day)	68.10	67.32	68.20	68.20	No CHANGE
Compliance with Safe Drinking Water Act (days)	366	365	365	365	No CHANGE

TACTICAL APPROACH

Provide top quality customer service.

PROGRAM INITIATIVES	FY 2004	FY 2005	FY 2006	FY 2007	Change
Number of meters replaced	4,603	2,939	1,489	1,500	11
% bills with meters accurately read	99.89%	99.90%	99.90%	99.91%	.01%

Water Position Summary

Position Title	Pay Grade	Minimum	Maximum	FY 2006 Positions	Change	FY 2007 Positions
Accountant I	OPS10	31,504	50,362	1		1
Accountant II	OPS11	34,151	54,598	1		1
Accounting Supervisor	MAP09	44,932	71,833	1		1
Accounting Technician	OPS07	24,871	39,762	21		21
Administrative Analyst	MAP08	42,207	67,471	1		1
Administrative Assistant II	MAP03	31,215	49,900	2		2
Administrative Secretary	OPS09	29,090	46,508	1		1
Applications Development Team Supervisor	ITM06	55,011	87,942	1		1
Assistant Director of Customer Services & Management	SRM09	65,465	115,218	1		1
Assistant Director of Utilities	SRM07	65,465	115,218	1		1
Assistant Superintendent of Utility Division	MAP12	54,461	87,063	2		2
Automotive Mechanic	OPS09	29,090	46,508	0	1	1
Chief of Construction Operations	MAP12	54,461	87,063	1		1
Civil Engineer I	MAP07	39,676	63,429	1		1
Civil Engineer II	MAP10	47,871	76,528	4		4
Civil Engineer III	MAP11	51,040	81,597	3		3
Civil Engineer IV	MAP12	54,461	87,063	2		2
Civil Engineer V	MAP13	58,155	92,968	1		1
Collection Coordinator	MAP05	35,138	56,175	2		2
Construction Inspector I	OPS09	29,090	46,508	8		8
Construction Inspector II	OPS11	34,151	54,598	5	-1	4
Construction Inspector III	MAP07	39,676	63,429	4		4
Contract Monitoring Spec	MAP05	35,138	56,175	0	1	1
Crew Leader I	OPS08	26,885	42,978	13	2	15
Cross Connection Specialist	OPS09	29,090	46,508	3		3
Custodian	OPS02	17,085	27,315	1	-1	0
Data Quality Control Manager	OPS10	31,504	50,362	1		1
Director of Utilities	EXE03	81,548	141,018	1		1
Electronics Technician II	OPS10	31,504	50,362	4		4
Engineering Aide	OPS05	21,342	34,120	3		3

Water Position Summary

Position Title	Pay Grade	Minimum	Maximum	FY 2006 Positions	Change	FY 2007 Positions
Engineering Manager	SRM08	61,441	108,136	1		1
Engineering Technician I	OPS09	29,090	46,508	6		6
Engineering Technician II	OPS10	31,504	50,362	4	1	5
Engineering Technician III	OPS11	34,151	54,598	1		1
Engineering Technician IV	OPS12	37,053	59,233	1		1
Enterprise Controller	MAP12	54,461	87,063	1		1
Equipment Operator II	OPS06	23,029	36,814	12		12
Equipment Operator III	OPS08	26,885	42,978	7		7
General Utility Maintenance Supervisor	MAP08	42,207	67,471	9		9
Human Resources Generalist	MAP07	39,676	63,429	1		1
Maintenance Worker I	OPS03	18,384	29,392	6		6
Maintenance Worker II	OPS04	19,799	31,655	29	-2	27
Management Services Administrator	SRM04	54,348	95,654	1		1
Manager of Budget & Accounting	SRM04	54,348	95,645	1		1
Messenger/Driver	OPS03	18,384	29,392	1		1
Office Assistant	OPS03	18,384	29,392	2		2
Programmer/Analyst III	ITM02	42,401	67,784	1		1
Programmer/Analyst IV	ITM03	45,220	72,291	3		3
Programmer/Analyst V	ITM05	51,507	82,339	1		1
Public Information Specialist II	MAP06	37,325	59,669	1		1
Reservoir Manager	MAP05	35,138	56,175	1		1
Safety Specialist	OPS11	34,151	54,598	1		1
Senior Codes Specialist	OPS12	37,053	59,233	1		1
Senior Utility Maintenance Supervisor	OPS12	37,053	59,233	4	1	5
Senior Water Chemist	MAP07	39,676	63,429	3		3
Staff Technician II	OPS09	29,090	46,508	1		1
Support Technician	OPS06	23,029	36,814	6	-1	5
Utility Customer Services Manager	SRM04	54,348	95,654	1		1
Utility Maintenance Mechanic I	OPS07	24,871	39,762	27	-1	26
Utility Maintenance Mechanic II	OPS08	26,885	42,978	4		4
Utility Maintenance Mechanic III	OPS09	29,090	46,508	1		1

Water Position Summary

Position Title	Pay Grade	Minimum	Maximum	FY 2006 Positions	Change	FY 2007 Positions
Utility Maintenance Supervisor	OPS11	34,151	54,598	11		11
Utility Operations Manager	SRM05	57,745	101,631	1		1
Water Chemist	MAP05	35,138	56,175	5		5
Water Production Manager	SRM07	57,745	101,631	1		1
Water Quality Manager	SRM03	51,223	90,154	1		1
Water Treatment Plant Maintenance Technician	OPS08	26,885	42,978	11		11
Water Treatment Supervisor	MAP11	51,040	81,597	2		2
Waterworks Operator II	OPS08	26,885	42,978	5		5
Waterworks Operator III	OPS10	31,504	50,362	3	1	4
Waterworks Operator IV	OPS11	34,151	54,598	17	-1	16
TOTAL				286	0	286

